CONFIDENTIAL

FM WASHINGTON

TO IMMEDIATE FCO

TELNO 2763

OF 150030Z DECEMBER 87

INFO DESKBY 150400Z ISLAMABAD

INFO PRIORITY BONN, PARIS, MOSCOW, UKMIS NEW YORK

MG

ISLAMABAD FOR PS/LORD GLENARTHUR WASHINGTON SUMMIT: REGIONAL ISSUES SUMMARY

- 1. SOME FURTHER DETAIL ON THE DISCUSSION OF REGIONAL ISSUES: CONFIRMING NO SIGNIFICANT PROGRESS.

 DETAIL
- 2. WE HAVE NOW DEBRIEFED STATE DEPARTMENT CONTACTS IN MORE DETAIL ON THE DISCUSSION OF REGIONAL ISSUES AT THE SUMMIT. FOLLOWING POINTS ADD TO THOSE MADE BY SHULTZ (UKDEL NATO TELNO 403) AND KAMPELMAN (OUR TELNO 2753) LAST WEEK.
- 3. THE WEEKEND PRESS HAS BEEN FULL OF REPORTS THAT THE PRESIDENT AND GORBACHEV DISCUSSED THIS BRIEFLY ON THE FINAL DAY. STATE CONTACTS CONFIRM THAT THERE WAS A SHORT EXCHANGE DURING LUNCH ON 10 DECEMBER. PRESIDENT REAGAN APPARENTLY BROUGHT THE SUBJECT UP AND PROPOSED THAT THE JOINT STATEMENT MIGHT CONTAIN A SOVIET COMMITMENT TO STOP SUPPLYING WEAPONS TO THE NICARAGUAN GOVERNMENT. GORBACHEV COUNTERED THAT THE TWO SIDES SHOULD UNDERTAKE TO SUPPORT CONTADORA AND THE GUATEMALA AGREEMENT. IT WAS POSSIBLE THAT THE SOVIET UNION COULD THEN AGREE TO STOP SUPPLYING ARMS TO NICARAGUA EXCEPT SMALL ARMS AND WEAPONS FOR THE POLICE FORCE. ALTHOUGH IT WAS NOT ENTIRELY CLEAR FROM THE RECORD, STATE HAVE NO DOUBT THAT GORBACHEV INTENDED THAT THIS WOULD BE ACCOMPANIED BY A US UNDERTAKING TO STOP SUPPORTING THE CONTRAS. WHITE HOUSE CHIEF OF STAFF BAKER CONFIRMED THIS INTERPRETATION ON A. WEEKEND TV SHOW. 4. STATE INTEND TO FOLLOW UP THIS BRIEF AND RATHER CRYPTIC EXCHANGE WITH THE RUSSIANS AT WORKING LEVEL. BUT THEY BELIEVE THAT THE CHANCES OF A CONSTRUCTIVE SOVIET RESPONSE HAS BEEN DIMINISHED BY THE PUBLICITY GIVEN TO GORBACHEV'S REMARKS. AFGHANISTAN
- 5. IT HAD BEEN UPHILL WORK TO PERSUADE THE RUSSIANS TO DROP THE LINKAGE BETWEEN A WITHDRAWAL TIMETABLE AND AN INTERIM GOVERNMENT. IN THE WORKING GROUP, PRIMAKOV HAD ACCEPTED THIS BUT GORBACHEV HELD FIRMLY TO THE PRINCIPLE OF LINKAGE IN HIS DISCUSSION WITH

PAGE 1 CONFIDENTIAL THE PRESIDENT. ON THE LAST DAY, SHULTZ PRESSED GORBACHEV AND SHEVARDNADZE AGAIN ON THIS POINT. SHEVARDNADZE THEN ACCEPTED IN GORBACHEV'S PRESENCE THAT IT WAS NOT POSSIBLE TO LINK THE WITHDRAWAL TO NATIONAL RECONCILIATION: AND THAT THE EFFECTIVE LINK WAS BETWEEN WITHDRAWAL AND THE CESSATION OF OUTSIDE SUPPORT FOR THE RESISTANCE, AS SET OUT IN THE GENEVA ACCORDS.

6. STATE ADD THAT THE ONE NEW POINT WHICH GORBACHEV MADE WAS

- 6. STATE ADD THAT THE ONE NEW POINT WHICH GORBACHEV MADE WAS THAT AS SOON AS IMPLEMENTATION OF THE AGREEMENT BEGAN, SOVIET FORCES IN AFGHANISTAN WOULD CEASE TO ENGAGE IN MILITARY OPERATIONS, EXCEPT FOR SELF DEFENCE. IT WAS NOT ENTIRELY CLEAR HOW THE RUSSIANS WERE PROPOSING TO DEFINE THIS. BUT STATE SAW IT AS A MOVE IN THE RIGHT DIRECTION.
- 7. ON THE NEXT STEPS, THE US ENCOURAGED THE SOVIET TEAM TO TALK BILATERALLY TO THE PAKISTANIS BEFORE THE NEXT GENEVA ROUND. STATE'S OVERALL IMPRESSION WAS THAT GORBACHEV'S PRIMARY CONCERN WAS TO AVOID A SITUATION IN WHICH THE SOVIET UNION WOULD BE COMMITTED TO WITHDRAWAL BEFORE BEING CERTAIN OF THE SHAPE OF AN INTERIM GOVERNMENT. AS A RESULT, NO REAL PROGRESS WAS MADE. IRAN/IRAQ
- 8. GORBACHEV PRESENTED THE SOVIET POSITION IN FAMILIAR
 TERMS: THE POTENTIAL OF RESOLUTION 598 HAD NOT YET BEEN
 EXHAUSTED. UNTIL IT WAS, IT WOULD NOT BE APPROPRIATE TO DISCUSS
 A SECOND RESOLUTION. IN THE WORKING GROUP, HOWEVER PRIMAKOV
 ACCEPTED THAT IRAN HAD NOT SHOWN GOOD FAITH IN THE FOLLOW UP TO 598:
 AND THAT THE SOVIET UNION WOULD BE PREPARED TO JOIN IN QUOTE
 PREPARATIONS UNQUOTE FOR A SECOND RESOLUTION. HE HAD REFUSED
 TO CLARIFY WHAT THIS MEANT. SHEVARDNADZE SAID SOMETHING SIMILAR TO
 SHULTZ IN THE CAR ON THE WAY TO THE AIRPORT (UKMIS NEW YORK
 TELNO 1312).
- 9. STATE TELL US THAT IN THE NEXT ROUND OF DISCUSSIONS IN THE FIVE IN NEW YORK, THE US REPRESENTATIVE WILL BE INSTRUCTED TO QUOTE SHEVARDNADZE'S REMARK, IN THE HOPE OF PINNING THE RUSSIANS DOWN TO A PROMPT START TO WORK ON A SECOND RESOLUTION.

 ARAB/ISRAEL
- 10. IN A VERY BRIEF EXCHANGE, GORBACHEV PUSHED FOR AN INTERNATIONAL CONFERENCE, BUT ALSO ACCEPTED THAT THERE COULD BE BILATERAL CONTACTS BETWEEN THE PARTIES UNDER ITS AUSPICES.
 THE PRESIDENT HAD TAKEN A FAMILIAR LINE IN REPLY.
 KOREA
- 11. GORBACHEV SAID THAT THE SOVIET UNION WANTED TO ATTEND
 THE SEOUL OLYMPICS. BUT THE NORTH KOREANS HAD MADE SOME GOOD
 PROPOSALS. THIS ISSUE SHOULD NOT BE POLITICIZED. IN THE
 WORKING GROUP THE RUSSIANS HAD PUT THE CHANCES OF THEIR ATTENDING
 AT 95 PERCENT. THEY EXPECTED TO DECIDE IN JANUARY. THE US

PAGE 2 CONFIDENTIAL HAD ALSO RAISED THE KAL AIRCRAFT INCIDENT, REFERRING TO THE INCONCLUSIVE EVIDENCE OF NORTH KOREAN INVOLVEMENT. THE RUSSIANS HAD RESPONDED THAT THEIR INFLUENCE WITH THE NORTH KOREANS WAS LIMITED: BUT THEY HAD TAKEN THE MESSAGE.

12. THE PRESIDENT SAID THAT VIETNAMESE WITHDRAWAL REMAINED THE KEY. THE RUSSIANS COULD PLAY A ROLE BECAUSE OF THEIR AID TO VIETNAM. GORBACHEV REFERRED TO VIETNAMESE ASSURANCES THAT THEY WOULD LEAVE IN 1990. POLITICAL NEGOTIATIONS WERE IMPORTANT: HE REFERRED TO SIHANOUK'S TALKS WITH HUN SEN AND HINTED THAT THE KHMER ROUGE ISSUE MIGHT COMPLICATE VIETNAMESE WITHDRAWAL. IN THE WORKING GROUP, PRIMAKOV ADDED THAT HANOI HAD A QUOTE NEW UNDERSTANDING UNQUOTE OF THE CAMBODIA PROBLEM. THE RUSSIANS AND THE VIETNAMESE WERE TALKING ABOUT CAMBODIA. STATE ADDED THAT THERE STILL APPEARED TO BE NO SENSE OF URGENCY IN THE SOVIET APPROACH TO THIS ISSUE.

BERLIN

13. THE PRESIDENT REFERRED TO THIS BRIEFLY, SAYING THAT HE WOULD LIKE TO SEE THE WALL TORN DOWN, BUT THAT IN THE MEANTIME THERE WERE SOME MODEST STEPS WHICH COULD BE TAKEN TO REDUCE TENSION. THE US WERE DISCUSSING THESE WITH THEIR ALLIES. HE HOPED THEY WOULD HAVE SOME PROPOSALS TO MAKE BEFORE TOO LONG. GORBACHEV DID NOT RESPOND.

SOUTHERN AFRICA

14. THERE WAS VERY LITTLE DISCUSSION OF ANGOLA. NO FURTHER LIGHT WAS SHED ON WHETHER THE RUSSIANS WERE NOW PREPARED TO PUT ANY PRESSURE ON THE ANGOLANS OR CUBANS.

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